



DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9866]

RIN 1545-BO54; 1545-BO62

**Guidance Related to Section 951A (Global Intangible Low-Taxed Income) and
Certain Guidance Related to Foreign Tax Credits**

Correction

In rule document 2019-12437, appearing on pages 29288 through 29370, in the issue of Friday, June 21, 2019 make the following corrections:

1. On page 29337, Table 1 to paragraph (b)(2)(iv)(B) should appear as follows:
Table 1 to paragraph (b)(2)(iv)(B):

M's subpart F income for Year 1	\$100x	
Less: Reduction under section 951(a)(2)(A) for period (1–1 through 5–26) during which M is not a controlled foreign corporation ($\$100x \times 146/365$)	40x	
Subpart F income for Year 1 as limited by section 951(a)(2)(A)	60x	
A's pro rata share of subpart F income as determined under section 951(a)(2)(A) ($0.6 \times \$60x$)	36x	
Less: Reduction under section 951(a)(2)(B) for dividends received by B during Year 1 with respect to the stock of M acquired by A:		
(i) Dividend received by B ($\$15x$), multiplied by a fraction ($\$100x/\$100x$), the numerator of which is the subpart F income of such corporation for the taxable year ($\$100x$) and the denominator of which is the sum of the subpart F income and the tested income of such corporation for the taxable year ($\$100x$) ($\$15x \times$ ($\$100x/\$100x$))	15x	
(ii) B's pro rata share (60%) of the amount which bears the same ratio to the subpart F income of such corporation for the taxable year ($\$100x$) as the part of such year during which A did not own (within the meaning of section 958(a)) such stock bears to the entire taxable year ($146/365$) ($0.6 \times \$100x \times$ ($146/365$))	24x	
(iii) Amount of reduction under section 951(a)(2)(B) (lesser of (i) or (ii))	15x	
A's pro rata share of subpart F income as determined under section 951(a)(2)	21x	

2. On page 29338, Table 1 to paragraph (b)(2)(vi)(B)(1) should appear as follows:
Table 1 to paragraph (b)(2)(vi)(B)(1):

R's subpart F income for Year 1	\$100x	
Less: Reduction under section 951(a)(2)(A) for period (1–1 through 3–14) during which R is not a controlled foreign corporation ($\$100x \times 73/365$)	20x	
Subpart F income for Year 1 as limited by section 951(a)(2)(A)	80x	
A's pro rata share of subpart F income as determined under section 951(a)(2)(A) ($0.6 \times \$80x$)	48x	
Less: Reduction under section 951(a)(2)(B) for dividends received by B during Year 1 with respect to the stock of R indirectly acquired by A:		
(i) Dividend received by B ($\$100x$) multiplied by a fraction ($\$100x/\$400x$), the numerator of which is the subpart F income of such corporation for the taxable year ($\$100x$) and the denominator of which is the sum of the subpart F income and the tested income of such corporation for the taxable year ($\$400x$) ($\$100x \times (\$100x/\$400x)$)	25x	
(ii) B's pro rata share (60%) of the amount which bears the same ratio to the subpart F income of such corporation for the taxable year ($\$100x$) as the part of such year during which A did not own (within the meaning of section 958(a)) such stock bears to the entire taxable year ($73/365$) ($0.6 \times \$100x \times (73/365)$)	12x	
(iii) Amount of reduction under section 951(a)(2)(B) (lesser of (i) or (ii))		12x
A's pro rata share of subpart F income as determined under section 951(a)(2)		36x

3. On the same page, Table 1 to paragraph (b)(2)(vi)(B)(2) should appear as follows:
Table 1 to paragraph (b)(2)(vi)(B)(2):

R's tested income for Year 1	\$300x	
Less: Reduction under section 951(a)(2)(A) for period (1–1 through 3–14) during which R is not a controlled foreign corporation ($\$300x \times 73/365$)	60x	
Tested income for Year 1 as limited by under section 951(a)(2)(A)	240x	
A's pro rata share of tested income as determined under §1.951A-1(d)(2) ($0.6 \times \$240x$)	144x	
Less: Reduction under section 951(a)(2)(B) for dividends		

received by B during Year 1 with respect to the stock of R indirectly acquired by A:

(i) Dividend received by B (\$100x) multiplied by a fraction ($\$300x/\$400x$), the numerator of which is the tested income of such corporation for the taxable year (\$300x) and the denominator of which is the sum of the subpart F income and the tested income of such corporation for the taxable year (\$400x) ($\$100x \times (\$300x/\$400x)$)	75x	
(ii) B's pro rata share (60%) of the amount which bears the same ratio to the tested income of such corporation for the taxable year (\$300x) as the part of such year during which A did not own (within the meaning of section 958(a)) such stock bears to the entire taxable year (73/365) ($0.6 \times \$300x \times (73/365)$)	36x	
(iii) Amount of reduction under section 951(a)(2)(B) (lesser of (i) or (ii))		36x
A's pro rata share of tested income under section 951A(e)(1)		<hr/> 108x <hr/>